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ABSTRACT

The college trustees' responsibility for fund-raising is outlined. Trustees are responsible for policy decisions that define the mission of the institution, that allocate development priorities to particular programs, or goals of the institution, and that provide the budget, the impetus, and the targets for a fund-raising campaign. Although trustees are not full-time fund-raisers, they must be personally involved in cultivating potential donors and making sure that the community understands and supports the college or university. The basic steps in cultivating donors and essential policy questions trustees must address in considering a fund-raising campaign are identified. A checklist of trustee responsibilities in fund-raising and potential problems in the organization of the campaign is presented. In addition, questions are listed that may clarify the need for funds and the strategy for raising them. The institutional case statement, or the overall statement of need, argument for support, and plan of action, is also covered. (SW)

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The Fund-Raising Role

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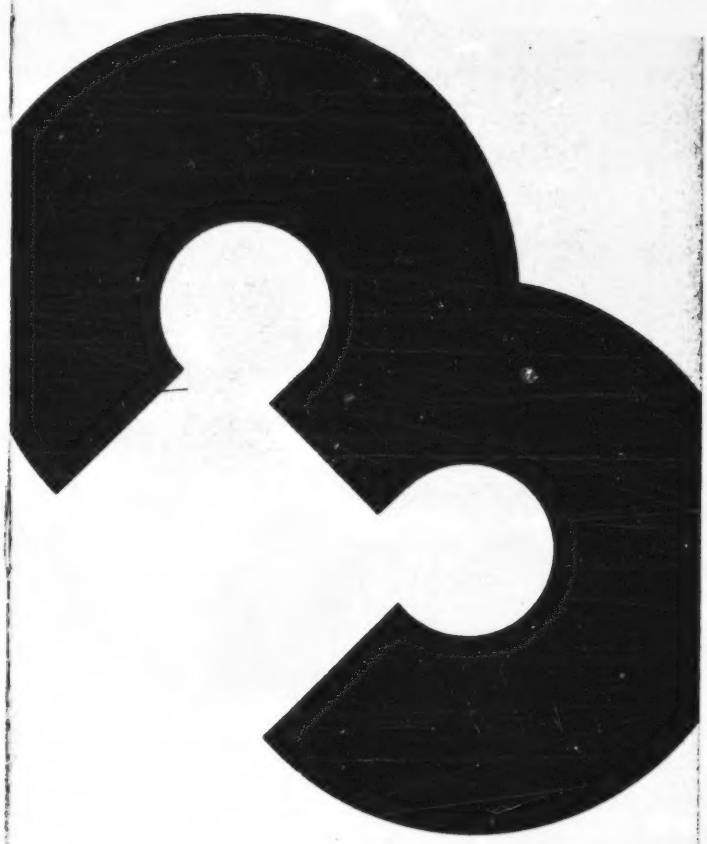

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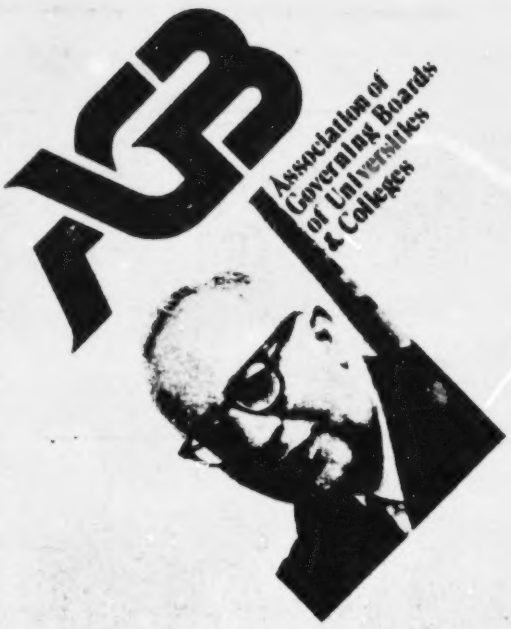

Michael Radock

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The Fund-Raising Role

Fund-raising is a basic trustee responsibility. Never was it of more critical importance than today, when an essential ingredient for survival with excellence of most institutions, public as well as private, is a comprehensive fund-raising program.

Exactly what roles should trustees play in fund-raising? How are they to exercise leadership?

Setting the example

First and foremost, trustees must set an example for others by making generous personal contributions within their means.

Atherton Bean, a trustee of the Minneapolis College of Arts and Design and of Carleton College, puts it this way,

> *The fact of the matter is that public board members are frequent sources of financial help, and they should be. If a person has assets and knows a great deal about an institution and does not give some of those assets to it, then it must be assumed that he is not convinced of its value to the community.*

A trustee's donation of time and expert guidance is, of course, a valuable gift to an institution. But if trustees are to ask members of the community to contribute money to an institution, then they, too, should contribute in proportion to their means. The contribution of time is valuable, but institutions need money as well as time, and money has to come from those who have it.

Setting the style

In referring to Nathan Pusey's statement that responsibilities of Harvard Corporation members were to make sure that the University was properly staffed and the bills paid, Hugh Calkins, a member of the Corporation, says:

> *I shall devote more attention to the bill-paying than to the staff responsibilities . . . partly because it is the lever by which trustees properly raise fundamental questions as to the mission of private universities. In the internal allocation of responsibilities in a university, it is bill-paying which is unquestionably the trustees' business. If cash flows out faster than it flows in, the trustees are the whistleblowers who insist that the condition be diagnosed and the remedy found. If the remedy requires more energetic fund-raising, some trustees must solicit with imagination and enthusiasm. If the remedy requires political action, some trustees must become politicians.*

Trustees set the style and provide general policy direction for the institutions they serve. Because effective fund-raising does not exist in a vacuum, trustees can and should create a favorable climate for giving. They must do their part to guarantee the institution's commitment to fund-raising. Essential policy questions that trustees must deal with as an institution considers a fund-raising campaign are:

- Does the institution have a good development program?
- Is the development budget adequate for an effective program?
- What are the educational priorities to be in the fund-raising campaign?
- What possible sources of support will the campaign address?

The trustees, then, are responsible for those policy decisions that define the mission of the institution, that allocate development priorities to particular programs, or goals of the institution, and that provide the budget,

the impetus, and the targets for a fund-raising campaign.

The trustee must be personally involved in cultivating potential donors and making sure that the community understands and supports the college or university. Trustees establish that climate and that sense of public trust and confidence in the institution without which the case for financial support cannot be made.

Obviously, trustees are not expected to be full-time fund-raisers; most campuses have trained specialists to handle the day-to-day development work. What they must do is establish a good working relationship with the president, the development officer, and other staff members coordinating fund-raising activities. Trustees are a part of the development team.

Many capital campaigns are handicapped from the start because the institution is not ready. Years of neglect cannot be overcome by a program of "instant public relations." An institution must be known; it must be understood; it must be recognized for its contribution to society, for its potential for growth and greater service, for its fulfillment of its goals and objectives. Trustees should make an effort, throughout their service, to explain the value of the college or university to the community.

Educational institutions, through their concern for administrative organization, public relations techniques, research and record keeping, computer programming and statistical reporting, often tend to overlook the human factor. Trustees can persuade alumni, corporations, foundations, and friends to contribute if they work steadily on the cultivation of these potential donors.

The basic formula is simple:

1. *Identify* those individuals or groups who might make a contribution;

2. Stimulate their *interest;*

3. *Involve* them in the work of the institution; and

4. Move them to make an *investment* in it.

Trustees, as individuals, must reach out to the people in the community and make the institution's needs known.

Fund-raising resources: a double audit

If trustees are to be an effective part of a well-planned development campaign, they must evaluate their own fund-raising resources, and they must take an objective look at the institution they serve. The two evaluations, taken together, amount to a trustee audit of fund-raising resources.

The first checklist below alerts trustees to their responsibilities in fund-raising and points to potential problems in the organization of the campaign team. These questions are representative; each institution will have other essential questions to add to them.

1. Have I contributed substantially according to my means to my college or university? On an annual basis? To capital campaigns? Restricted or unrestricted gifts?

2. Have I tried to influence members of my family, professional associates, corporation or foundation officials to provide support?

3. Will I be prepared to enlist fund-raising leadership from my fellow trustees and friends?

4. Am I willing to accompany the president or another volunteer on a solicitation visit?

5. Can I list my institution's ten most urgent needs?

6. Am I ready to insist that the president be deeply involved in fund-raising and be ready to join him or her in strategy and priority-setting meetings?

7. Will I be willing to enlist outside counsel when appropriate to review development programs, provide advice, or conduct campaigns?

8. Do I support the budget and staff needed to provide a good campaign? Will I support the president and administration when certain policies are needed to ensure a smooth operation of fund-raising programs?

9. Will I use my influence to establish priorities for the institution?

10. Will I be prepared to authorize or assist in the conduct of feasibility and planning studies?

When trustees have a clear picture of their campaign resources, both in terms of personal commitment and organizational strength, then they are ready to make an institutional evaluation. These questions serve to define the college or university in the trustee's mind, to clarify both the need for funds and the strategy for raising them. Again, what follows is representative of a large number of queries.

1. What assumptions can be made about the future of the institution in terms of student body size and composition? About competition for dollars?

2. What are the major characteristics of the institution?

3. Does the institution have a statement of purpose and direction for the next five or ten years?

4. What about the "climate of giving" at the institution? Is there a tradition of private support? How long has there been an organized development program?

5. Does the institution have an estimate of the total amount of money needed and a breakdown of proposed sources?

6. Does the institution have a procedure for devising priorities?

7. Does it have a coordinated approach to public relations, development, and alumni relations? What is the institution's image in the community?

8. Where do the responsibilities for institutional fund-raising lie? In the board? In the president's office? In the development office? In the alumni association? Divided among them?

9. How effective a fund-raiser is the president? How much help is there from members of the governing board? Are faculty, students, staff, and volunteers consulted and involved in the total development program?

10. What is the total environment (political, social, economic, physical, geographic) in which the institution exists? Is the environment favorable, neutral, unfavorable, indifferent, hostile?

The case statement

An essential task in planning a fund-raising campaign is the building of an effective case statement. In brief, the case statement is the statement of need, the argument for support, the plan of action, the campaign "Bible" and the source of inspiration, the single definitive piece on the whole capital campaign. It answers the question: "Why do we need the money?"

Veteran fund-raiser David M. Church offers this advice about the building of the case statement. First, state the problem; then, answer these questions:

- What is being done about it?
- What needs to be done about it?
- What does your case propose to do about it?
- Why is your case fitted to attack the problem?
- What are the costs of your program?
- What can your audience do about it?

It is essential in preparing the institutional case statement to seek the counsel and assistance of other members of the community—administrators, faculty members, students, alumni, and friends. Those who will be involved in the campaign also need to be involved in determining the process of definition and design of the case for support. To build a valid and convincing case for fund-raising, you must be able to present your institution's case convincingly, to bring together opportunities and needs, and to persuade workers and potential givers that the needs are real and urgent.

The most quoted man in the fund-raising field, Harold J. Seymour, author of *Design for Fund-Raising*, recommends that the case for fund-raising should

> *aim high, provide perspective, arouse a sense of history and continuity, convey a feeling of*

importance, relevance, and urgency, and have whatever stuff is needed to warm the heart and stir the mind.

Target: large gifts

Most institutions have many "large gift" prospects. In fact, 90 percent of the money donated to higher education comes from 10 percent of the donors. This 10 percent, these "large gift" prospects, must be found, cultivated, and approached—but approached with a proper knowledge of timing and strategy. In other words, the approach must fit into an overall fund-raising program.

Who gets the large gift? Those colleges and universities that plan systematic approaches to major prospects, those institutions that match the donor's interests to the school's needs and programs, receive major gifts. It doesn't happen by accident.

Be an activist

The Council for Financial Aid to Education, warning about "custodian-type" governing boards, emphasizes that college trustees have enormous power to "improve and encourage," and to help build for excellence. "A passive board of trustees is a bad board," the Council points out. "Unlucky is the institution whose trustees do not have an alert interest in it, or who regard themselves as merely *custodians.*"

Higher education needs money—not only to pay faculty or to operate the physical plant, but to engage in a wide variety of projects, programs, and to meet needs which may be as wide-ranging as the needs of society itself. Trustees must be in the vanguard of the search for that money. They must be donors; they must be fund-raisers; they must shape policies that make development possible; and they must take leadership in devising strategies for gaining support for their institutions.

Or, as Atherton Bean once put it: "You are a trustee. There is money to be raised. Go and do it."